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CATHERINE BERTINI

Chairman Hyde, Members: Thank you for inviting me to appear before the Committee. I have known the Chairman for over twenty five years, and have met with several other members. I also have appeared before the Committee several times in my previous capacity as Executive Director of the UN World Food Program, a position I held prior to serving as Under Secretary General for Management. WFP worked with the committee toward our mission of ending hunger, specifically in Afghanistan, North Korea, the Balkans, the Horn of Africa, and Latin America. Also, twice, I met with committee members, under Chairman Gilman, during their visits to Rome.

After almost twelve and a half years of service to the UN, I officially retired on April 30, 2005, so I appear before you today as a former UN official. (Please note, though, that I still chair the UN System Standing Committee on Nutrition.) The views I am about to express are my own.

REFORM IS POSSIBLE

REFORM is a perpetual buzzword at the United Nations, as it should be. REFORM has been a continuous refrain during my entire time as a senior UN official. Sometimes, reform measures are successful, sometimes not. It is never easy to move a large organization like the UN, any more than it is easy to reform an entity of the US government, but it is important to maintain an atmosphere of continual reform. And, it is important to believe that reform CAN occur, and that it can be very constructive.

One recent example achieved under Secretary General Kofi Annan's direction was reform of the UN's world wide security operation. Even before the tragic bombing of the UN office in Baghdad, he had commissioned a review of the UN security operations. The review was broader than that which was requested by the General Assembly, as he felt that there needed to be a review of all aspects of security of staff in the UN system.

As you may know, three months after the bombing, he asked me to serve as acting security coordinator, a position I held for sixteen months, in addition to my responsibilities as USG for management. Working with the Secretary General and the Deputy Secretary General and with UN Security professionals, we developed a

comprehensive, unified security management system for the UN. Then, we spent many hours, days and nights and weekends, working with the governments who participate in the Fifth Committee of the General Assembly, as they considered the Secretary General's proposal. All but a few components of his proposal were approved. The new system brings together all the security entities of the Secretariat under one management, and clarifies the command and control functions for security of staff in every field location for all UN agencies and staff.

COMPARISONS

The United Nations is not just the Secretariat in New York, but it is made of many organizations - called specialized agencies, funds, and programmes. The headquarters of these organizations are placed around the world and their operations are, for the most part, world wide. Most are directed by governing bodies which are independent from the General Assembly. Therefore, the Secretary General exercises moral authority but has no legal authority over them.

The UN's scope is immense and mostly not controversial. For instance, it impacts on how international mail is delivered, on air and sea transportation, intellectual property, climate matters, environmental issues, food safety, and health. It influences labor law, protects refugees and children and mothers. It works in developing countries to end hunger, to mitigate the devastating impacts of natural and man made disasters.

There are several different models for how the agencies operate. Having directed one organization - WFP - for ten years, and having been at the UN Secretariat for a quarter of that time, I thought it might be useful to look at the question: Why were we able to reform the World Food Program into what some called a model of UN reform, building many of its systems into state of the art operations, and why it is so difficult to do some of the same kinds of things at the UN Secretariat? I believe that there are several factors that make a difference.

1. Funding

Most UN funds and programs are voluntarily funded. The Secretariat and many UN agencies are funded by assessments of Member States.

Voluntary funding creates an entirely different atmosphere at WFP than at the UN. At WFP, every staff member knows that we have to be as efficient, accountable, transparent, and results oriented as is possible. If we are not, donor governments can take their funding elsewhere in a very competitive world among UN agencies, NGOs, and bilateral governments. The Member States - donor and recipient governments alike - know this too, and therefore, work together, with the WFP Secretariat, to approve governance procedures and operational policies that support these efficiency efforts. In addition, since WFP never knows, at any given time, exactly what the budget will be, and since WFP has to respond to emergencies within 24 hours, the governing body gives the Secretariat flexibility in managing expenditures and creating the management organization of the program.

Assessed funding creates a different set of priorities among governments. There will be a certain level of budget available, even though member states quibble about marginal differences (I have seen delegates argue for days and days over

one post). The bottom line is that the budgets will be at worst, static, so prime issues become protection of existing interests within the secretariat budget. Seldom is performance a key criteria.

If it were, for example, then the General Assembly would have, by now, reformed the International Civil Service Commission (ICSC). This is the commission that sets standards for all UN civil servants world wide. The Secretary General requested a review of ICSC operations, and as a result, a modest set of reform proposals were made. They include the recommendation that members elected by the GA to this body be QUALIFIED to hold the positions. The ICSC opposes all the recommendations and they have been stalled in the GA for almost a year.

Staff members in the Secretariat are, generally, as dedicated as those at voluntarily funded agencies, but it is alot more difficult for them to be as motivated to be creative, both because of funding and because of governance. Therefore, over time, as in any bureaucracy, initiatives are less common.

It is a common view of the system that UNDP, UNICEF, UNFPA, UNHCR, and WFP are probably the best run UN agencies. It is no coincidence that they are all voluntarily funded (except for a small portion of UNHCR's budget).

2. Governance

WFP (and UNICEF, UNDP/UNFPA) have 36 members on their boards. The 191 member states, set the policy that there be 36 members on each board, and they also choose which member states serve on each board. For themselves, however, for committees to review the work of Secretariat entities, their formats are all made up of committees of the whole. In other words, to review the UN Secretariat budget (which is smaller than those of WFP and UNDP), 191 members can participate in committee, and again when the General Assembly meets to affirm the committees' work. This often creates a deadlock in the committees.

Imagine what the work of the House International Relations Committee would be like if all members of congress were members of the committee. With so many members, it becomes impossible to concentrate on broad policy issues, so member states work to preserve what is important to them and they end up micromanaging the operations of the secretariat. For instance, whether an existing position gets the upgrade proposed by the Secretary General usually becomes a high priority for the delegation of the country from which the incumbent staff member comes.

Governments are not immune to similar behavior in funds and programs. On one occasion, a government cut its funding by 20% to WFP, specifically to show their displeasure because I did not hire one of their citizens in a high level position. As this was done during the time when the US was withholding some of its dues to the UN, the other government told me that they were following the lead of MY country on withholding funds when they didn't like UN actions. Eventually, we they returned to their earlier contribution level.

There is another governance difference between member states in NY and in other UN headquarters cities like Rome and Geneva. That is in the background of the people that governments assign to these postings. The people sent to Rome are from agricultural ministries or aid/development organizations. They are more technical and they are committed by their professions to a certain set of substantive issues.

Many of the people sent by governments to UN missions in NY are politicians. They are up and comers who have either held very important positions in their governments or who are on their way up. For instance, the current foreign ministers of the Russian Federation and the Palestinian Authority left their positions as Ambassadors to the UN in NY, to take up their current jobs.

The same practice is true for more junior diplomats as well. Rising stars often are posted for at least one diplomatic term to NY. One ambassador told me that his country sends its high performers to New York and its poor performers to Nairobi (Poor Kenya!).

This contributes to the political nature of the decision making. The UN deals with many "political" issues, of course, but when delegates make political points using issues like security of staff or personnel policies, that is regrettable but not unexpected as they are making their "marks" to impress their capitols.

3. Management Accountability

Although the budget of WFP is larger than that of the Secretariat, most of the former is food and transport. Most of the latter is staff. The staff are located not only in NYC, but also in Geneva, Vienna, Nairobi, Santiago, Beirut, Bangkok, Addis Ababa, and in a variety of information centers.

On paper, there are over thirty people who report to the Secretary General. They are Under Secretaries General, heads of funds and programs, executive secretaries of regional commissions, and various other positions. It is not realistic, in any organization, for any one person to have that many reports.

Secretary General Annan made an important change in his 1997 reforms when he created a cabinet style management setting, holding weekly meetings with many of his direct reports. In addition, he organized executive committees - working groups - of senior people to regularly coordinate actions in specific areas.

As the UN has grown and the Member States have added responsibilities, more people have been added as direct reports to the Secretary General. They include Under Secretaries General for Africa, Least Developed Countries, Children in Armed Conflict, Security, Disarmament, the Inspector General, and even the Oil for Food Program.

There is no system for managing this far flung group of senior staff. As a result, the overburdened office of the Secretary General picks and chooses issues in which it gets involved. Delegation of responsibilities is then sometimes unclear. This system predates the current Secretary General, but as more functions are added to the UN mandate, more pressure is put on the process.

PROPOSALS

So, what reform proposals would make sense to make some of the process more workable? Here are a few.

Funding:

As many UN organizational units as possible, including all operational and coordination bodies, should be fully voluntarily funded. This includes but is not limited to: OCHA, OHCHR, UNHCR, UNCTAD, UNEP, UNRWA, Habitat, and the regional economic commissions. All the secretariat departments should be reviewed with the idea of creating a base of funding through assessments and a portion of the funding from voluntary contributions. Having more entities funded voluntarily will create an incentive structure for performance and would streamline the regular budget.

Governance:

Committees of the General Assembly should be reestablished using the same principle as that which governs parliaments and congress. Each committee should have a sub-set of member states (I recommend 36) as members, each elected on a rotating basis for three year terms.

The inter-governmental machinery should also be reviewed. Between the GA and ECOSOC there are some 300 subsidiary bodies. They all ask for multiple studies and reports that help keep the bureaucracy very busy. Repetition should be eliminated (ie Human Rights discussed at the Commission, ECOSOC, the Third Committee of the GA, and the General Assembly).

Mandates of all UN agencies of all types should be reviewed to determine current relevance, effectiveness, and to avoid duplications. A major review and consultation with independent organizational experts could conduct such a review. (This would need support from all independent agency governing bodies.)

DPKO, the UN's Peacekeeping operation, should have a formal governance structure responsible for its oversight and direction. The operational roles of the Department of Political Affairs should also be under this new structure, or delegated to UNDP. DPKO is a huge operational department. It's current budget is far larger than that of the Secretariat, yet it operates institutionally like a staff department. The Security Council, which sets its mandates, is not, nor should it be, an oversight body.

Management Accountability:

Within the Secretariat, clear reporting relationships and lines of authority must be created. It is not possible for all Under Secretary General level officials to report to the Secretary General. All senior officials should be held accountable for the annual performance of their organizations, which should be measured against goals.

The responsibilities of positions at the USG and ASG levels should be reviewed by outside experts to insure that the levels are commensurate with the responsibilities. Where appropriate, levels should be downgraded once current incumbents depart.

Mandatory intensive training programs on management, ethics, and UN regulations/procedures should be organized for all senior officials.

All UN staff serving throughout the world should receive the same salaries and allowances as all others serving in similar conditions. Currently, though the salaries are standard, the other allowances vary by organization, causing parity issues, especially in field assignments.

All UN staff at the D-1 level and above, including temporary and dollar a year contractors, should complete robust financial disclosure forms. Approval of such forms, that would help guard against conflicts of interest, should be a condition of employment.

The role of EVALUATION within the UN system should be reviewed with the objective of insuring effectiveness and avoiding duplication. An external entity should review the evaluation roles of the OIOS, the Joint Inspection Unit, the External Board of Auditors, and other appropriate functions.

Other Recommendations:

The International Civil Service Commission should be reengineered. At a minimum, the reform proposals currently on the table should be adopted.

Conference Services should have goals for gradual outsourcing of much of its work, including having translation work done from countries of origin of the language and from homes of staff or consultants.

Real mobility should be put in place, with staff members transferring to and from NY, not just on temporary mission assignments. Promotions should not be options for professional staff who are not mobile.

The Secretary General should have funding available to offer buyouts to those staff who are not mobile and to staff whose departments are downsized.

CONCLUSION

Twelve plus years at the UN has made me understand, from an intimate professional perspective, the critical importance of the United Nations in the world today. I stand ready to work in a constructive manner wherever appropriate, to help strengthen its effectiveness and operational efficiency.

I trust that the committee will make forceful proposals that would, if they were to be adopted by the UN, make a significant contribution to reform. I hope that those proposals are made as guidance to the US Department of State, recognizing the challenges of achieving certain measures, and with flexibility available to US representatives.

This year is a critical year for the UN, with a Heads of State Summit planned for September and scheduled to make decisions on the next major UN reforms. Preparations for this event has been on-going, with member states well into the process of working out their collective views on a whole variety of issues. American leadership is crucial to this process.

Thank you for inviting me to appear before you today. I stand ready to answer your questions, and to work with you in the future.